

**TO:** City Council

**FROM:** Rosemarie Ives, Mayor

**DATE:** July 19, 2005

**SUBJECT: APPROVAL OF NORTHWEST PIPELINE CORPORATION'S OFFER TO AMEND EASEMENT CONTRACTS, ALLOW TEMPORARY USE OF CITY PROPERTY (WATERSHED PRESERVE)**

### **I. RECOMMENDED ACTION**

Move to approve the offer from Williams' Northwest Pipeline Corporation to amend six right-of-way and easement contracts for properties referred to as the Watershed Preserve, located north of NE Novelty Hill Road and South of NE 133<sup>rd</sup> Street at approximately 218<sup>th</sup> Avenue NE (King County Tax Parcel Nos. 282606-9005, 282606-9008, 282606-9009, 282606-9012, 332606-9008 and 332606-9005), allow for temporary use of defined areas adjacent to the existing pipeline easement corridor, and remove trees located in the temporary workspace areas of the proposed Williams' capacity replacement pipeline project in consideration of \$212,128.21 and other conditions as established in the amended contracts and temporary use agreements; and authorize the Mayor to sign *Amendment to Right-of-Way and Easement Contracts, Construction Work Space Agreements* and *Timber Sale Agreements* specific to six separate parcels.

### **II. DEPARTMENT CONTACT PERSONS**

Dave Rhodes, Director of Public Works	556-2705
Danny Hopkins, Director Parks and Recreation	556-2310
Greg Byszeski, Parks Maintenance Manager	556-2327
Bill Campbell, City Engineer/Assistant Director of Public Works	556-2733
Debby Wilson, Real Property Manager	556-2715

### **III. DESCRIPTION**

Williams' Northwest Pipeline Corporation is under a federal court mandate to replace sections of one of its two high pressure natural gas pipelines that runs through most of the state of Washington, including across a City of Redmond area known as the Watershed Preserve. Pipeline work will include removing an existing 26-inch gas pipe and placing a 36-inch pipe in its place. Williams plans to commence with the construction aspects of its upcoming capacity replacement project in spring of 2006, and place the facilities in-service in fall of 2006.

The Preserve property is owned by the City of Redmond Utilities. Since the Preserve is within the Redmond City limits, the City has jurisdictional authority for local permitting. The offers that Williams has made to the City of Redmond for temporary and permanent property rights are considered separate and independent from the construction permits Williams is receiving from the City.

### **Background**

The 800 acres that makes up the Watershed Preserve were acquired during the 1926 to 1944 period by the Town of Redmond Utilities. The plan was to create and protect a new water supply for the Town. The plan for the new water supply source was never utilized as intended, due to not being able to meet water quality standards. Since Redmond's acquisition of the Preserve property, Puget Sound Power and Light (presently known as Puget Sound Energy) was granted an easement in 1965 for its existing high voltage power lines. In 1956, Pacific Northwest Pipeline Corporation obtained a north/south 50-foot wide easement across the Preserve and the first of two high pressure natural gas pipelines was installed; a 30-inch pipeline. In 1971, ten feet of additional easement area width was acquired by El Paso Natural Gas Company and a second parallel pipeline, 26-inches in diameter, was put in place. In 1989, King County voters passed an Open Space Bond to assist with the development and preservation of park lands. Some of these bond funds were allocated for preserving and enhancing the Watershed Preserve for the public uses recognized today.

To accommodate Williams' upcoming pipeline work, Williams has presented an offer to the City which requests an amendment to the previous easement contract language – simple language allowing for a 36-inch pipe to be installed in the easement area. No additional permanent easement areas are needed. As a consideration of amending the easement contract language, Williams has offered a monetary consideration amount of \$74,095. When totaled with historic consideration payments, the City, as the property owner, will have been compensated an amount equal to 50 percent of the fee value of the property. This percentage of fee value is considered reasonable based on the extent that Williams' easements encumber the Preserve.

To accommodate the installation of the larger diameter natural gas, a trench will need to be excavated much deeper and wider than for the past two pipe installations. Combined with the amount of materials and heavy equipment that will need to be brought to the Preserve to undertake the work, Williams requires temporary use of select areas wider than the existing permanent easement area. Historical documents related to the two existing pipeline installations reflect that additional property was needed for those installations also. Williams has presented an offer for the use of additional lands in the amount of \$22,033; an amount equal to ten percent of the fee value of the land. This consideration is considered to be reasonable and is based on industry standards for using property for a limited time period.

For Williams to have the necessary space to bring in project equipment and materials and safely work along the existing corridor, existing vegetation, in select work space areas must be cleared. City staff initially was concerned that Williams was not respecting the Preserve's intrinsic nature. Through property visits, Williams' responsiveness to delineating the temporary work space areas and meeting/discussions with Williams' representatives, staff has concluded that the designated work space areas reflect Williams' efforts to not only consider access points, sensitive slopes and wetland, but reflects Williams' efforts to achieve the least physical impact to the Preserve as reasonably possible.

Williams is required by law to compensate property owners for anticipated damage caused by the project, or to cure the damage and return the area to an equal or better condition than prior to the project. Realistically it will not be feasible to return the damaged vegetation areas of the Preserve to a condition equal to what they are today. Williams has been responsive to a proposed City restoration plan that includes not only trail restoration, but reseeded and reforested disturbed areas. Williams has proposed a plan to work with the City to protect significant trees along the edges of the work spaces so to minimize impacts beyond the project limit lines. Along with the considerations for protection and restoration, Williams presented a monetary offer of \$116,000 for the trees that must be removed by the project; substantial back up material supported the timber offer. Williams' valuation was conducted by a professional timber appraiser having previous experience valuing trees in the Preserve. The City has secured a review of Williams' timber valuation by another respected independent third party. The City's review found further support for Williams' valuation approach and offered amount.

City staff and Williams have agreed to measures that will be taken during construction to promote public awareness of the project activities and established measures that will be taken during construction to address safety in the area and along the trails. These measures and guidelines are a part of the Work Space Agreement to be executed between the City and Williams' Northwest Pipeline Corporation.

Williams has followed all established federal guidelines and policies for notifying the City, as the property owner, of the project, needed property rights, presentation of the offer and the opportunity for the City to present substantiated evidence to appeal the offer and/or conditions.

#### **IV. IMPACT**

- A. Service/Delivery: The Williams project will prohibit use of some trails in the Preserve for the duration of the pipeline and restoration project. The City has conditioned Williams to physically block certain trails and post notification of

trail access status during the project. Parking and other Watershed Preserve facilities will not be interrupted during the project.

- B. Fiscal: Williams' monetary offers for acquiring both permanent and temporary property rights were supported by professional appraisal evaluations. The City's real property manager reviewed the land appraisal information and found the offers to be supported.

Staff recommends the proceeds from the permanent easement rights of the Preserve would be deposited into the Water/Wastewater Utility Fund since it is the underlying land owner. The proceeds from the temporary use and timber sale would be deposited into the Parks and Recreation Maintenance Fund, since they have maintenance responsibilities for the Preserve.

## **V. ALTERNATIVES**

Council could choose not to accept Williams' offer. Williams has presented they are prepared to acquire the necessary permanent and temporary rights via condemnation or other federal/state means afforded to them to acquire property rights from public agencies.

## **VI. TIME CONSTRAINTS**

Williams will initiate other acquisition means if the City delays in its agreeing to the presented offers and use of the subject property.

## **VII. LIST OF ATTACHMENTS**

- A. Vicinity Map
- B. Parcel Maps
- C. Templates to be used for six separate parcels:
  - Amendment to Right-of-Way and Easement
  - Construction Work Space Agreement
  - Timber Sale Agreement

William J. Campbell for  
\_\_\_\_\_  
Dave Rhodes, Director of Public Works

7/8/05  
\_\_\_\_\_  
Date

Approved for Council Agenda \_\_\_\_\_ s/s  
Rosemarie Ives, Mayor

7/8/05  
\_\_\_\_\_  
Date

# WATERSHED PRESERVE WILLIAMS PIPELINE PROJECT PARCEL LOCATOR MAP

